

DEFERRAL OF MARKETING QUOTA PROCLAMATION FOR BURLEY TOBACCO

DECEMBER 16, 1970.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. POAGE, from the Committee on Agriculture,
submitted the following

REPORT

[To accompany H.J. Res. 1415]

The Committee on Agriculture, to whom was referred the joint resolution (H.J. Res. 1415) to extend the time for the proclamation of marketing quotas for burley tobacco for the 3 marketing years beginning October 1, 1971, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

PURPOSE

The purpose of this legislation is to authorize the Secretary of Agriculture to postpone for a period up to 1 month the proclamation of national marketing quotas for burley tobacco under the 1971-73 program.

Under present law the proclamation deadline is February 1, 1971. Under House Joint Resolution 1415 that deadline would be March 1, 1971.

NEED

The necessity for this legislation is caused by the uncertainty about marketing conditions for burley tobacco. The additional time permitted by this legislation will allow the Department of Agriculture to accumulate and analyze the latest information available before making a final decision on the size and other important program details that will apply to the 1971-73 program.

HEARINGS

Hearings on H.J. Res. 1415 by Mr. Wampler were held December 14, 1970, by the Tobacco Subcommittee. No opposition to the legislation was expressed. Both the subcommittee and the full committee unanimously approved this resolution.

DEPARTMENTAL POSITION

Department of Agriculture witnesses appeared at the subcommittee hearing and testified in favor of H.J. Res. 1415. The following testimony by Mr. Joseph Todd, Deputy Director, Tobacco Division, ASCS, sets forth the Department's position.

STATEMENT OF JOSEPH J. TODD, DEPUTY DIRECTOR, TOBACCO DIVISION, ASCS, U.S. DEPARTMENT OF AGRICULTURE

Thank you, Mr. Chairman. I am Joseph J. Todd, Deputy Director of the Tobacco Division of the Agriculture Stabilization and Conservation Service of the U.S. Department of Agriculture. I have with me Mr. Wear Schoonover of the General Counsel's Office.

I am authorized to state that it is our belief that the Department of Agriculture would have no objection to this legislation, if the committee decides that an additional period of 28 days will provide the needed time to make a more thorough study of the burley tobacco programs and their problems.

Under present legislation, as you stated, the Secretary is required to proclaim marketing quotas on the next three crops of burley tobacco no later than February 1, and to announce the amount of the 1971 quota at the same time. This resolution merely authorizes the Secretary to defer this proclamation until March 1, and it would also defer the referendum, because the proclamation triggers the referendum. He is required to hold a referendum within 30 days following the issuance of the proclamation.

In announcing the quota for the 1970 burley crop, Secretary Hardin stated that the Department is prepared to work with producers and the entire burley industry to improve the program so it will be kept sound, and can continue to work under changing conditions in the years ahead.

The approval of this resolution will provide the necessary time for program changes to be made effective before the quota for the 1971 burley crop is announced.

COST

There would be no additional cost involved because of the enactment of this legislation.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in *roman*):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

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NATIONAL MARKETING QUOTA

SEC. 312. (a) The Secretary shall, not later than December 1 of any marketing year with respect to flue-cured tobacco, and February 1 of any marketing year with respect to other kinds of tobacco, proclaim a national marketing quota for any kind of tobacco for each of the next three succeeding marketing years whenever he determines with respect to such kind of tobacco—

(1) that a national marketing quota has not previously been proclaimed and the total supply as of the beginning of such marketing year exceeds the reserve supply level therefor;

(2) that such marketing year is the last year of three consecutive years for which marketing quotas previously proclaimed will be in effect;

(3) that amendments have been made in provisions for establishing farm acreage allotments which will cause material revision of such allotments before the end of the period for which quotas are in effect; or

(4) that a marketing quota previously proclaimed for such marketing year is not in effect because of disapproval by producers in a referendum held pursuant to subsection (c): *Provided*, That if such producers have disapproved national marketing quotas in referenda held in three successive years subsequent to 1952, thereafter a national marketing quota shall not be proclaimed hereunder which would be in effect for any marketing year within the three-year period for which national marketing quotas previously proclaimed were disapproved by producers in a referendum, unless prior to November 10 of the marketing year one-fourth or more of the farmers engaged in the production of the crop of tobacco harvested in the calendar year in which such marketing year begins petition the Secretary, in accordance with such regulations as he may prescribe, to proclaim a national marketing quota for each of the next three succeeding marketing years.

(b) The Secretary shall also determine and announce not later than the first day of December with respect to flue-cured tobacco and not later than the first day of February with respect to other kinds of tobacco, the amount of the national marketing quota proclaimed pursuant to subsection (a) which is in effect for the next marketing year in terms of the total quantity of tobacco which may be marketed which will make available during such marketing year a supply of tobacco equal to the reserve supply level. The amount of the national marketing quota so announced may, not later than the following March 1, be increased by not more than 20 per centum if the Secretary determines that such increase is necessary in order to meet market demands or to avoid undue restrictions of marketings in adjusting the total supply to the reserve supply level.

(c) Within thirty days after the proclamation of national marketing quotas under subsection (a), the Secretary shall conduct a referendum of farmers engaged in the production of the crop of tobacco harvested immediately prior to the holding of the referendum to determine whether such farmers are in favor of or opposed to such quotas for the next three succeeding marketing years. If more than one-third of the farmers voting oppose the national marketing quotas, such results shall be proclaimed by the Secretary and the national marketing quotas so proclaimed shall not be in effect but such results shall in no wise affect or limit the subsequent proclamation and submission to a referendum, as otherwise provided in this section, of a national marketing quota.

That notwithstanding any other provision of law, the Secretary of Agriculture may defer until March 1, 1971 any proclamation under section 312 of the Agricultural Adjustment Act of 1938, as amended, with respect to national marketing quotas for burley tobacco for the three marketing years beginning October 1, 1971.

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